Begin Jan. 26-1959

30.24- 5953

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AMS IN

PRECEDE MOSCOW ~~SEVERD~~ Second NIGHT LEAD SOVIET CONGRESS

LONDON, JAN. 27 (AP)-SOVIET PREMIER NIKITA KHRUSHCHEV TODAY BOASTED COMMUNIST COUNTRIES NOW "STAND AT THE HEAD OF ALL PROGRESS."

AND HE PAID TRIBUTE TO THE "GUIDING ROLE OF THE (COMMUNIST) PARTY AND ITS CENTRAL COMMITTEE, HEADED FOR MANY YEARS BY J.V. STALIN."

SPEAKING AT THE OPENING OF THE SOVIET PARTY'S 21ST CONGRESS IN THE KREMLIN PALACE, KHRUSHCHEV'S REMARK WAS IN SHARP CONTRAST TO HIS DENUNCIATION OF DICTATOR STALIN AT THE LAST CONGRESS THREE YEARS AGO.

ACCORDING TO A TASS SUMMARY, BROADCAST BY MOSCOW RADIO, THE PREMIER SAID:

"THE SOCIALIST WORLD IS NOW STRONGER, MORE UNITED AND INDESTUCTIBLE THAN EVER BEFORE. IT IS EXERTING A DECISIVE INFLUENCE ON THE ENTIRE COURSE OF WORLD DEVELOPMENT."

IN THE THREE YEARS SINCE THE 20TH CONGRESS, KHRUSHCHEV CLAIMED, THE SOVIET UNION HAS "CONFIDENTLY CONTINUED ITS ADVANCE ALONG LENIN'S PATH TO COMMUNISM, STRENGTHENED ITS MIGHT STILL FURTHER, AND IN THE STRUGGLE FOR THE CONSOLIDATION OF PEACE AND FRIENDSHIP AMONG PEOPLES, HAS ENHANCED ITS INTERNATIONAL PRESTIGE."

KHRUSHCHEV TOLD THE 1,375 DELEGATES THAT THE SOVIET UNION'S INDUSTRIAL OUTPUT LEADS EUROPE AND IN THE WORLD IS SECOND ONLY TO THAT OF THE UNITED STATES.

"BOURGEOIS ECONOMISTS AND POLITICIANS HAVE OFTEN AUGURED THAT THE SOVIET UNION WOULD BE COMPELLED TO SLOW DOWN ITS ECONOMIC DEVELOPMENT AFTER IT REHABILITATED ITS NATIONAL ECONOMY AFTER THE WAR," KHRUSHCHEV SAID.

"BUT THEIR AUGURIES HAVE BURST LIKE SOAP BUBBLES. THE SOVIET ECONOMY CONTINUES TO DEVELOP AT A RAPID PACE."

THE PREMIER SAID HIS OWN PROGRAM TO DECENTRALIZE INDUSTRY AND ESTABLISH REGIONAL ECONOMIC COUNCILS HAD MADE THE ECONOMY MORE EFFICIENT.

"INDUSTRIAL OUTPUT GREW AT A FASTER RATE, BETTER USE WAS MADE OF THE INNER POTENTIALITIES OF INDUSTRY AND OF THE COUNTRY'S NATURAL RESOURCES," HE SAID. "WORKERS, TECHNICIANS AND ENGINEERS SHOWED GREAT INITIATIVE."

KHRUSHCHEV MADE SPECIAL MENTION OF THE "OUTSTANDING SUCCESSES" ACHIEVED BY SOVIET SCIENTISTS IN LAUNCHING A SPACE ROCKET SATELLITE PAST THE MOON. HE CALLED IT "AN OUTSTANDING TRIUMPH OF OUR SCIENTISTS AND OUR PEOPLE AND A VIVID DEMONSTRATION OF HOW HIGH THE INDUSTRIAL AND TECHNICAL LEVEL OF THE SOVIET UNION HAS RISEN."

THE DELEGATES BROKE IN WITH STORMY APPLAUSE.

KHRUSHCHEV ANNOUNCED THE DOMESTIC AND INTERNATIONAL POSITION OF THE SOVIET UNION "HAS NEVER BEEN AST STABLE AS IT IS TODAY." THE COUNTRY, HE SAID, "HAS EVERYTHING NECESSARY TO BRIDLE THE FORCES OF AGGRESSION" AND IS A "MIGHTY BULWARK OF PEACE AND INTERNATIONAL SECURITY."

THE SOVIET PEOPLE HAVE REACHED SUCH SUMMITS, KHRUSHCHEV STATED, "AND HAVE CARRIED OUT SUCH FAR-REACHING CHANGES IN ALL SPHERES OF ECONOMIC, PUBLIC AND POLITICAL LIFE THAT THE SOVIET UNION NOW HAS THE OPPORTUNITY OF ENTERING A NEW, IMPORTANT PERIOD OF ITS DEVELOPMENT--THE PERIOD OF EXTENSIVE BUILDING OF COMMUNIST SOCIETY."

PRINCIPAL TASKS OF THE NEW PERIOD. THE SOVIET LEADER SAID, ARE "TO ESTABLISH THE MATERIAL AND TECHNICAL BASE OF COMMUNISM, TO STRENGTHEN FURTHER THE ECONOMIC AND DEFENSIVE MIGHT OF THE U.S.S.R. AND, AT THE SAME TIME, TO PROVIDE FOR THE FULLER SATISFACTION OF THE GROWING MATERIAL AND SPIRITUAL REQUIREMENTS OF THE PEOPLE."

FD513AES

A10

BULLETIN Second Night Lead By Harold K. Milks

MOSCOW, TUESDAY, JAN. 27 (AP)-THE SOVIET COMMUNIST PARTY OPENED ITS 21ST CONGRESS TODAY TO APPROVE PREMIER NIKITA KHRUSHCHEV'S SEVEN-YEAR ECONOMIC PLAN TO MATCH OR EXCEED U.S. PRODUCTION.

DELEGATES FROM COMMUNIST PARTIES THE WORLD OVER JOINED MORE THAN 1,500 DELEGATES FROM THROUGHOUT THE SOVIET UNION IN THE WHITE AND GOLD COLUMNED HALL OF THE GRAND KREMLIN PALACE.

THE FIRST AND MAJOR ORDER OF BUSINESS WAS KHRUSHCHEV'S PRESENTATION OF HIS ECONOMIC PLAN. BUT HIS LONG SPEECH WAS EXPECTED TO TOUCH ON OTHER MAJOR ISSUES AT HOME AND TO DEAL AT LENGTH WITH SUCH CRUCIAL FOREIGN POLICY ISSUES AS BERLIN, GERMAN REUNIFICATION, NUCLEAR WEAPON CONTROL AND THE POSSIBILITY OF NEGOTIATIONS WITH THE WEST.

THERE ALSO WAS A STRONG POSSIBILITY THAT THE CONGRESS WOULD TAKE FURTHER ACTION AGAINST THE SO-CALLED ANTIPARTY GROUP MADE UP OF FORMER PREMIERS GEORGI MALENKOV AND NIKOLAI BULGANIN, FORMER FOREIGN MINISTERS V.M.MOLOTOV AND DMITRI SHEPILOV, AND LAZAR KAGANOVICH.

PRAVDA, THE SOVIET PARTY NEWSPAPER, MARKED THE OPENING OK THE CONGRESS WITH A NEW DENUNCIATIC TODAY OF THE GROUP, WHO WERE REMOVED FROM THEIR HIGH POSTS FOR OPPOSITION TO KHRUSHCHEV'S POLICIES.

THE LATEST ISSUE OF KOMMUNIST, THE MONTHLY JOURNAL, SURVEYING EVENTS SINCE THE CLOSE OF THE LAST CONGRESS TWO YEARS AGO, SAID THE PARTY HAS "CONDEMNED CASES OF VIOLATION OF INNER-PARTY DEMOCRACY, AND INFRINGEMENTS OF THE RIGHTS OF COMMUNISTS, AND HAS SUBSTITUTED PERSUASION FOR ADMINISTRATIVE MEASURES."

"THE RE-ESTABLISHMENT OF COLLECTIVE LEADERSHIP AS THE SUPREME PRINCIPLE OF THE PARTY WAS OF ENORMOUS IMPORTANCE," THE MAGAZINE SAID.

THE EDITORIAL STRESSED THE IMPORTANCE OF THE PARTY CENTRAL COMMITTEE, NOTING IT HAS HELD 11 PLENARY SESSIONS SINCE THE 20TH CONGRESS.

THIS ARTICLE INDICATES NEW BLOWS WILL BE STRUCK AT THOSE WITHIN THE PARTY WHO OPPOSED KHRUSHCHEV'S POLICIES. IN FACT, KOMMUNIST ADDED ADDITIONAL CHARGES AGAINST THE SO-CALLED ANTIPARTY GROUP, ACCUSING IT OF DOGMATISM AND CONSERVATISM AND OF OPPOSING THE "LENININIST COURSE" FOR THE COMMUNIST PARTY. SINCE STALIN, THE U.S.S.R.'S RULERS HAVE BEEN INSISTING THEY BASE THEMSELVES ENTIRELY ON THE CONCEPTS OF V.I. LENIN, FOUNDER OF BOLSHEVISM.

THE 21ST CONGRESS IS BEING HAILED AS A MILESTONE OF A "GREAT POLITICAL AND LABOR UPSURGE." MEMBERS OF THE RULING PARTY FROM EVERY SOVIET REPUBLIC WILL BE ASKED TO STAMP APPROVAL ON KHRUSHCHEV'S SEVEN-YEAR-ECONOMIC PROGRAM TO OVERTAKE THE UNITED STATES BOTH IN CONSUMER AND HEAVY INDUSTRIAL PRODUCTION. UNDOUBTEDLY THE PARTY ALSO WILL APPROVE KHRUSHCHEV'S PROGRAM FOR CHANGES IN THE U.S.S.R.'S AGRICULTURAL AND EDUCATIONAL SYSTEMS.

30.24- 5955

BIG DELEGATIONS ALREADY ARE PRESENT FROM THE COMMUNIST-RULED COUNTRIES. IN THE CASE OF RED CHINA, THE DELEGATION IS HEADED BY PREMIER CHOU EN-LAI. THERE HAD BEEN STRONG RUMORS THAT CHINESE LEADER MAO TZE-TUNG WOULD ATTEND, BUT THERE IS NO SIGN OF THIS FOR THE MOMENT.

YUGOSLAV COMMUNISTS WILL BE CONSPICUOUS BY THEIR ABSENCE. THEY WERE NOT INVITED. THE YUGOSLAV-SOVIET FEUD OVER QUESTIONS OF THEORY HAS INCREASED IN INTENSITY AND PRESIDENT TITO IS ACCUSED OF REVISIONISM, OR TURNING AWAY FROM MOSCOW LEADERSHIP. THE NEW ISSUE OF KOMMUNIST, IN FACT, DISCUSSING TITO'S DEVIATIONS, USED TERMS LIKE "SUPER-FAKERS" AND "REVISIONIST PHARISEES." THE YUGOSLAVS PROBABLY WILL BE REPRESENTED AT THE CONGRESS BY THEIR AMBASSADOR AS AN UNOFFICIAL OBSERVER.

IN THE FIELD OF FOREIGN POLICY, KHRUSHCHEV IS BELIEVED LIKELY TO ELABORATE UPON HIS STAND REGARDING SUCH MAJOR ISSUES AS WEST BERLIN AND EUROPEAN SECURITY. HE INDICATED THIS TONIGHT IN A TALK AT INDIA'S NATIONAL DAY CELEBRATION HERE, WHEN HE SAID HE EXPECTS TO MAKE A LONG SPEECH TO THE CONGRESS DELEGATES.

THE CONGRESS IS SCHEDULED TO OPEN AT 10 A.M., (2 A.M., EST) IN THE CONFERENCE HALL OF MOSCOW'S GREAT KREMLIN PALACE. THE DELEGATES ARE LIKELY TO BE IN SESSION FOR ABOUT TWO WEEKS.

P323PES

A108 (AGYS & RADIO OUT)
AP FOREIGN SERVICE ADVANCE FOR MONDAY PMS (570)
SOVIET CONGRESS INTEGPRETIVE
BY WILLIAM L.RYAN
AP FOREIGN NEWS ANALYST

(ADVANCE) THE SOVIET COMMUNIST PARTY'S 21ST CONGRESS OPENS IN MOSCOW TOMORROW, WITH NIKITA S.KHRUSHCHEV AS THE UNCHALLENGED STAGE MANAGER. BEFORE IT CLOSES, ABOUT TWO WEEKS HENCE, THE WORLD MAY WITNESS THE SPECTACLE OF A DICTATOR DESPERATELY TRYING TO LOOK DEMOCRATIC."

WHAT IS EMERGING IS A GROTESQUE CARICATURE OF DEMOCRACY, PROBABLY BORN OF AN ANXIETY TO APPEASE THE POPULATION'S EAGERNESS FOR A FORM OF GOVERNMENT WHICH WOULD LOOK RESPECTABLE TO THE OUTSIDE WORLD.

BUT THIS CONGRESS WILL ACTUALLY SEE ALL KHRUSHCHEV'S OPPOSITION, INCLUDING THE SO-CALLED ANTIPARTY GROUP, DENOUNCED AND PROBABLY READ OUT OF THE PARTY ON A SET OF CHARGES WHICH WILL BE SWALLOWED CALMLY BY ALL PRESENT.

DURING HIS TOUR OF THE UNITED STATES, ANASTAS I.MIKOYAN TOLD AMERICANS--PROBABLY HIMSELF ALMOST BELIEVING IT--THAT THE SOVIET FORM OF GOVERNMENT IS BEING DEMOCRATIZED. KHRUSHCHEV HIMSELF HAS BEEN EXHIBITING A PASSION FOR PARTY PARTICIPATION IN WHAT HE IS TRYING TO DO. BUT AT THE SAME TIME, KHRUSHCHEV IS DIRECTING EVERYTHING, AND LIKELY WILL CONTINUE TO DO SO.

THE PREMIER AND PARTY BOSS IS NO STALIN. THERE IS STILL NO REAL KHRUSHCHEV CULT. AT KHRUSHCHEV'S DIRECTION, THE PARTY STILL WILL BE HAILED AS THE REAL RULER OF THE NATION.

BUT KHRUSHCHEV IS DICTATING EVERY STEP OF THE WAY. THERE IS LITTLE DOUBT HE WILL CLEAR THE PARTY OF THE LAST WHISPER OF OPPOSITION TO HIS INTERNAL OR EXTERNAL POLICIES.

ONLY TWO YEARS AGO THE 20TH PARTY CONGRESS SOUGHT TO CONVINCE RUSSIANS AND THE WORLD THAT THE U.S.S.R. WAS RUN BY COLLECTIVE LEADERSHIP. TWO YEARS AGO THE CLIMACTIC DEVELOPMENT OF THE NATIONWIDE CONGRESS WAS KHRUSHCHEV'S DENUNCIATION OF STALIN'S RULE. THIS TIME KHRUSHCHEV HIMSELF IS THE RULER, BUT DEPENDING NOT SO MUCH ON STALIN-LIKE FORCE AS UPON THE THEME THAT TEACHER NOWS BEST.

KHRUSHCHEV'S OPPOSITION HAS FADED, BUT HE APPARENTLY SEEKS TO SURROUND HIS LEADERSHIP WITH AN AURA OF DEMOCRACY. THE PARTY IS EXPECTED TO DENOUNCE STRONGLY THOSE WHO OPPOSED KHRUSHCHEV IN THE PAST, INCLUDING FORMER PREMIERS G.M.MALENKOV, V.M.MOLOTOV AND N.A.BULGANIN.

PRAVDA, MOST IMPORTANT COMMUNIST NEWSPAPER, HAS ACCUSED THE GROUP OF BEING "CONTAMINATED WITH CONSERVATISM." THE NEWSPAPER SOVIET RUSSIA SAID THE GROUP "OPPOSED THE REORGANIZATION OF THE CONTROL OF INDUSTRY AND CONSTRUCTION AND THE EXTENSION OF RIGHTS OF THE REPUBLICS, AND SPOKE OUT AGAINST THE PARTY LINE ON ALL THE MOST IMPORTANT QUESTIONS BOTH IN DOMESTIC AND FOREIGN POLICY, WHICH HAD BEEN WORKED OUT BY THE 20TH CONGRESS."

THE MEANING OF ALL THIS WILL NOT BE LOST ON THE VISITING COMMUNIST LEADERS FROM RED-RULED EUROPEAN AND ASIAN COUNTRIES, INCLUDING RED CHINA, OR ON LEADERS FROM MOST COUNTRIES IN THE WORLD WHERE COMMUNIST PARTIES EXIST OPENLY.

THEORETICALLY, CONGRESSES ARE SUMMONED AT REGULAR INTERVALS TO APPROVE OR CHANGE POLICIES OR LEADERSHIP. IN PRACTICE, TME CONGRESS IS JUST A SHOW. DECISIONS ARE MADE ON HIGH, IN ADVANCE.

KHRUSHCHEV WILL DOMINATE THE CONGRESS. HIS PROGRAM FOR SEVEN-YEAR ECONOMIC DEVELOPMENT HAS BEEN DISCUSSED IN MASS MEETINGS ALL OVER THE COUNTRY AND WILL BE UNANIMOUSLY ENDORSED. SO WILL HIS PROGRAMS FOR AGRICULTURAL AND EDUCATIONAL CHANGES, AND HIS FOREIGN POLICIES.

AN EXTRAORDINARY SERIES OF FULL CENTRAL COMMITTEE MEETINGS -- IN THE PAST THESE HAVE BEEN FAIRLY RARE--INDICATED OPPOSITION TO KHRUSHCHEV'S POLICIES WAS FADING RAPIDLY. WHAT REMAINS OF IT PROBABLY WILL GET STEAMROLLER TREATMENT. THE PARTY HAS BEEN ISSUING GRIM WARNINGS TO ANY POTENTIAL OPPOSITION, HINTING CORRECTIVE ACTION. A HOUSECLEANING IS IN PROSPECT, PERHAPS IN THE FORM OF APPOINTMENT OF A NEW CENTRAL COMMITTEE.

THERE HAS BEEN A SUDDEN UPSURGE IN VIOLENT CRITICISM OF THE ANTIPARTY GROUP NUDGED FROM THE LEADERSHIP SINCE 1957 BY KHRUSHCHEV'S MANEUVERS. UNDER SEVERE ATTACK ARE FORMER PREMIERS GEORGI MALENKOV, NIKOLAI BULGANIN AND V.M. MOLOTOV, FORMER DEPUTY PREMIER LAZAR KAGANOVICH, FORMER FOREIGN MINISTER DMIRTI SHEPILOV AND THE WAR HERO, GEORGI ZHUKOV. THE LATTER, OUSTED AS DEFENSE MINISTER LATE IN 1957, IS ACCUSED OF REVISIONISM, MEANING HE OPPOSED PARTY INTERFERENCE WITH THE ARMED FORCES COMMANDS. THAT INTERFERENCE NOW IS FIRMLY RE-ESTABLISHED.

THE OTHERS, PARTICULARLY MALENKOV, ARE ACCUSED OF HAVING OPPOSED THE MOST VITAL INTERESTS OF THE COUNTRY, MEANING KHRUSHCHEV'S ECONOMIC SCHEMES.

NOBODY IDENTIFIED WITH THE GROUP IS LIKELY TO BE ON THE NEXT CENTRAL COMMITTEE OR ITS RULING PRESIDIUM.

KHRUSHCHEV STILL WILL LACK STALIN'S POWER-- A MIGHTY POLICE FORCE TO SUPPLEMENTE CONTROL OF PARTY AND GOVERNMENT. HE MAY BE INTENDING TO INSURE HIS OWN CONTROL OVER WHAT REMAINS OF THE SECRET POLICE AFTER THE PURGES FOLLOWING STALIN'S DEATH. HE MAY TRY TO PICTURE THIS AS POLITICAL PROGRESS, BUT HE CAN HARDLY MAKE IT LOOK LIKE DEMOCRACY TO THE OUTSIDE WORLD.

(END ADVANCE FOR MONDAY PMS MOVED JAN. 24)

RP-DA937AES

A49

NIGHT LEAD KHRUSHCHEV (WITH BUDGET) (400)

BY A.I. GOLDBERG

MOSCOW, JAN. 26 (AP)-SOVIET PREMIER NIKITA KHRUSHCHEV TOLD A DIPLOMATIC RECEPTION TONIGHT: "WE WANT A THAW--TO THAW OUT THE COLD WAR." HE SAID ANASTAS I. MIKOYAN'S TRIP TO THE UNITED STATES MAY HAVE HELPED.

SPIRITED AND EBULLIENT ON THE EVE OF THE 21ST COMMUNIST PARTY CONGRESS, KHRUSHCHEV MADE AN OFF-THE-CUFF TALK AT THE CELEBRATION HERE OF INDIA'S NATIONAL DAY. HE SAID THE REPORT ON THE UNITED STATES FROM HIS NO. 2 MAN GAVE HIM "THE IDEA THAT THERE IS NOT EXCLUDED THE POSSIBILITY OF A THAW IN OUR RELATIONS."

"WE ON OUR PART ARE DOING EVERYTHING POSSIBLE," HE ADDED.

KHRUSHCHEV ALSO INSISTED THAT MIKOYAN HAD ONLY ENGAGED IN TALKS IN THE UNITED STATES-- NOT FORMAL NEGOTIATIONS--AND THEY PRODUCED NOTHING CONCRETE.

WARNING THAT "IF YOU WANT IT COLDER, WE CAN ADD TO IT," KHRUSHCHEV SAID NEGOTIATIONS WITH THE UNITED STATES ARE MUCH HARDER THAN THOSE WITH INDIA.

"NEGOTIATIONS WITH THE WEST ARE VERY DIFFICULT BECAUSE UNLIKE (THOSE) WITH INDIA WE HAVE NO CONFIDENCE," HE SAID. "THEY SAY YOU STAND THERE BUT THE WEST HAS A BIG STICK IN ITS HAND AND A KNIFE UNDER ITS JACKET. HOW IS IT POSSIBLE TO TALK ABOUT CONFIDENCE?"

KHRUSHCHEV PUT HIS HAND INSIDE HIS JACKET AND WENT ON:

"TO PLAY AT COLD WAR NOW IS A VERY DANGEROUS BUSINESS. TOO MANY MEANS HAVE BEEN INVENTED WHICH ARE DANGEROUS TO HUMANITY, AND THE GREATER WE MAKE THEM THE MORE POSSIBILITY THERE IS OF SURPRISES."

HE THEN REPEATED HIS COMPLAINTS ABOUT U.S. MILITARY BASES AROUND THE SOVIET UNION AS WELL AS THE SOVIET CLAIM THAT "WE HAVE PLENTY OF ROCKETS IN POSITION."

KHRUSHCHEV ANNOUNCED HE PLANNED TO MAKE A LONG SPEECH AT THE OPENING OF TOMORROW'S PARTY CONGRESS--SO LONG, HE SAID, THAT HE HAD ADVISED COMMUNIST LEADERS TO BRING THEIR LUNCH.

THE SOVIET PREMIER ENGAGED IN AN ANIMATED EXCHANGE WITH WEST GERMAN AMBASSADOR HANS KROLL. COMMUNIST EAST GERMANY'S AMBASSADOR JOHANNES KOENIG STOOD AT KROLL'S ELBOW BUT REMAINED SILENT DURING THE 15-MINUTE TALK.

KROLL SAID THE EXCHANGE, WHICH WAS NOT HEARD BY NEWSMEN IN THE LARGE SOVIETSKAYA HOTEL BALLROOM, WAS GOOD-NATURED AND OPEN, TOUCHING ON DISARMAMENT AND THE PROBLEMS OF UNIFYING GERMANY.

THEN KHRUSHCHEV MOVED TO A TABLE AND TOLD THE ASSEMBLED DIPLOMATS, OFFICIALS AND NEWSMEN:

"I HAVE BEEN PROPOSING TO THE AMBASSADOR OF WEST GERMANY 'LET'S GET TOGETHER AND SIGN A PEACE TREATY.' AND HE SAYS 'YES, ON A REASONABLE BASIS.' WHAT I THINK IS REASONABLE HE THINKS IS UN-REASONABLE AND WHAT HE PROPOSES, I THINK UNREASONABLE.'"

WAVING A FINGER AT KROLL, HE CONTINUED: "YOU MARCHED AGAINST RUSSIA, FRANCE AND ENGLAND, TWICE AGAINST THE SOVIET UNION. NOW YOU ARE CREATING MORE ARMS AND TRAINING PEOPLE FOR WAR. THE CLOCK IS TICKING ON AND YOUR FAVTORIES KEEP PRODUCING -- FOR WHATBZ

RK541PES

A115

WITH SOVIET BUDGET

MOSCOW, JAN. 26 (AP)-FOR THE FIRST TIME IN HISTORY, FOREIGN NEWSMEN HAVE BEEN GIVEN TICKETS TO ATTEND A COMMUNIST PARTY CONGRESS. THE SESSION OPENS TOMORROW IN THE KREMLIN'S GREAT HALL.

FOREIGN NEWSMEN USUALLY COVER ONLY THE MEETINGS OF THE SUPREME SOVIET (PARLIAMENT), WHERE GOVERNMENT POLICIES LAID DOWN IN ADVANCE ARE USUALLY APPROVED WITHOUT OPPOSITION.

FV1016PES

A24WX BJT

(430) AMS BUDGET

NIGHT LEAD DEFENSE NAVY

BY J.W. DAVIS

WASHINGTON, JAN. 26 (AP)-THE U.S. NAVY IS SATISIFIED THAT RUSSIA'S SUBMARINES CAN NOT MATCH THE PERFORMANCE OF AMERICAN SUBS, "BOAT FOR BOAT."

BUT THE GREAT AND GROWING NUMBER OF SUBMARINES THAT RUSSIA COULD THROW INTO ACTION WORRIES THE NAVY CONSIDERABLY.

THIS TWO-SIDED PICTURE WAS GIVEN TO THE SENATE ARMED SERVICES COMMITTEE TODAY BY SECRETARY OF THE NAVY THOMAS S. GATES JR. AND ADM. ARLEIGH A. BURKE, CHIEF OF NAVAL OPERATIONS. THEY TESTIFIED IN A CLOSED BRIEFING SESSION.

~~PART OF THE TESTIMONY WAS MADE PUBLIC. T ICLUEED THE~~

PART OF THE TESTIMONY WAS MADE PUBLIC. IT INCLUDED THE APPRAISAL OF THE SUBMARINE SITUATION AND A DISCUSSION OF THE NAVY'S GROWING NUCLEAR POWER. BURKE ESPECIALLY SOUNDED ALARMED ABOUT THE RED SUBS.

GATES SAID THE NAVY WILL BE ABLE TO HIT HARDER THAN EVER WITH A NUCLEAR PUNCH, BOTH FROM POLARIS SUBMARINES ABLE TO LAUNCH MISSILES FROM UNDER WATER AND FROM CARRIER-BASED JET ATTACK PLANES.

BURKE EMPHASIZED THE NAVY NEEDS MORE MISSILES, JET AIRCRAFT, CARRIERS AND FIGHTING SHIPS IN GENERAL.

THE ADMIRAL SAID THE NAVY WILL HAVE 113 ACTIVE SUBMARINES BY NEXT JULY 1, BUT RUSSIA WILL HAVE ABOUT FOUR TIMES AS MANY.

"OF GREATEST CONCERN TO THE NAVY IS THEIR SUBMARINE FORCE NUMBERING ABOUT 450." BURKE SAID.

"SINCE WORLD WAR II THE SUBMARINE HAS PROGRESSED FASTER THAN THE ANTISUBMARINE WARFARE CAPABILITY TO COMBAT IT," HE SAID.

HERE'S THE WAY GATES PUT IT:

"RUSSIA'S SUBMARINES CANNOT MATCH OURS, BOAT FOR BOAT...(THE GREAT NUMBERS THAT THE SOVIETS HAVE) IMPOSE A GRAVE THREAT NOT ONLY TO OUR CONTROL OF THE SEAS BUT TO OUR ABILITY TO DEFEND THE COUNTRY AGAINST MISSILE ATTACK."

GATES AND BURKE WERE BEFORE THE COMMITTEE TO SUPPLY A BRIEFING ON THE CONDITION OF THE NAVY. GATES MADE IT CLEAR HE IS SUPPORTING PRESIDENT EISENHOWER'S DEFENSE BUDGET. BURKE DID NOT CHALLENGE THESE FIGURES IN HIS RELEASED STATEMENT, BUT MADE IT CLEAR HE IS NOT SATISFIED WITH THE CURRENT RATE OF REPLACEMENT FOR SHIPS, PLANES AND WEAPONS.

GATES SAID:

"OUR ATOMIC PROPULSION CONTINUES TO ROLL. ATOMIC SUBMARINES ARE JOINING THE FLEET IN INCREASING NUMBERS."

"ATOMIC SURFACE SHIP PROTOTYPES, A CARRIER, A CRUISER AND A DESTROYER ARE UNDER CONSTRUCTION.

"THE FIRST SIX POLARIS ATOMIC SUBMARINES ARE WELL UNDER WAY."

GATES SAID THE NAVY PREPARES FOR ANYTHING: TO HELP DETER A GENERAL WAR, TO FIGHT ONE IF IT COMES, OR TO HEAD OFF OR SETTLE A LIMITED WAR.

ON THE POINT OF THE NAVY'S ABILITY TO CALM DOWN BAD SITUATIONS, GATES CITED THE TOUCH-AND-GO FLAREUPS OF RECENT YEARS IN INDOCHINA, FORMOSA, SUEZ AND LEBANON.

"IN EVERY ONE OF THESE CRISES THE PRESENCE OF AN AMERICAN FLEET HAS ACTED AS A DAMPER IN AN EXPLOSIVE SITUATION," HE SAID.

"VISIBLE AND READY AMERICAN STRENGTH HAS REASSURED OUR ALLIES AND MADE PLAIN TO THE WORLD OUR FIRMNESS OF PURPOSE."

MB352PES

A27WX BJT

(450) AMS BUDGET

NIGHT LEAD DRAFT

BY FRED S. HOFFMAN

WASHINGTON, JAN. 26 (AP)-THE DEFENSE DEPARTMENT TOLD CONGRESS TODAY THE DRAFT LAW MUST BE EXTENDED TO PREVENT A DANGEROUS DROPOFF IN ENLISTMENTS.

ASST. SECRETARY OF DEFENSE CHARLES C. FINUCANE GAVE THIS ARGUMENT IN URGING THAT THE DRAFT BE EXTENDED FOR FOUR YEARS. IT NOW IS DUE TO DIE ON JUNE 30.

AFTER LISTENING TO FINUCANE, CHAIRMAN CARL VINSON (D-GA) OF THE HOUSE ARMED SERVICES COMMITTEE SAID "WE HAVE NO CHOICE...I HOPE THERE WILL BE NO HESITANCY" IN EXTENDING THE DRAFT.

THIS WAS ONE OF SEVERAL INDICATIONS THAT THE COMMITTEE WOULD VOTE TO PROLONG THE DRAFT. BUT THERE WAS NO ASSURANCE IT WOULD BE CONTINUED FOR FOUR YEARS, AS THE DEFENSE DEPARTMENT ASKS. THERE HAVE BEEN SUGGESTIONS THAT THE EXTENSION BE LIMITED TO TWO YEARS.

AND BEFORE THE COMMITTEE ACTS, IT APPEARED LIKELY SECRETARY OF DEFENSE NEIL MCELROY AND OTHER OFFICIALS OF THE ARMED FORCES WILL HAVE TO DO SOME EXPLAINING ABOUT MILITARY MANPOWER CUTBACKS PUT INTO EFFECT DESPITE OBJECTIONS FROM CONGRESS.

VINSON SAID THAT WHEN THE DEFENSE SECRETARY APPEARS LATER ON, MCELROY WILL BE ASKED TO EXPLAIN WHO ORDERED THE ARMY CUT TO 870,000 MEN AFTER CONGRESS HAD PROVIDED FUNDS FOR ~~$900,000~~ 900,000 AND HAD MADE CLEAR IT WANTED THE ARMY KEPT AT THAT SIZE.

THE COMMITTEE CHAIRMAN SUGGESTED CONGRESS MIGHT BE FORCED TO "TAKE A MANDATORY POSITION ON THE STRENGTH OF THE ARMY."

REP. PORTER HARDY JR. (D-VA) TOLD FINUCANE THE DEFENSE DEPARTMENT STILL HAS TO MAKE A CASE FOR THE FOUR-YEAR DRAFT EXTENSION "IN VIEW OF CUTBACKS AND REDUCTIONS OF BOTH THE ACTIVE AND RESERVE FORCES."

REP. F. EDWARD HEBERT (D-LA) SAID THAT BECAUSE OF THE REDUCTIONS "I CAN'T EXPLAIN TO PEOPLE THE NECESSITY FOR THE DRAFT."

BUT FINUCANE INSISTED THAT, WITHOUT THE DRAFT, THE ARMED SERVICES WOULD FALL SHORT "700,000 OR 800,000 FROM OUR TOTAL OF ABOUT 2 1/2 MILLION."

ONLY THE ARMY NOW IS USING THE DRAFT, AND IT OBTAINS SOME OF ITS RECRUITS THROUGH VOLUNTEERING.

BUT FINUCANE SAID THAT WITHOUT THE DRAFT AS A PROD, ENLISTMENT IN ALL THE SERVICES WOULD FALL OFF DANGEROUSLY.

HE TOLD THE COMMITTEE THE DRAFT ALSO HAS AN EFFECT ON THE SUPPLY OF OFFICERS. MANY YOUNG MEN APPLY FOR COMMISSIONS RATHER THAN WAIT TO BE DRAFTED INTO THE ENLISTED RANKS, HE EXPLAINED.

AT THE SAME TIME, FINUCANE ASKED FOR EXTENSION OF LEGISLATION FOR DRAFTING DOCTORS AND DENTISTS. HE SAID "DRAFT-INSPIRED VOLUNTEERS" COMPRISE THE CHIEF SOURCE OF SUCH OFFICERS.

FINUCANE TESTIFIED THAT RECENT EFFORTS TO MAKE MILITARY CAREERS MORE ATTRACTIVE ARE BEGINNING TO SHOW RESULTS. BUT HE SAID THE GAINS ARE NOT ENOUGH TO JUSTIFY DROPPING THE SELECTIVE SERVICE SYSTEM.

THE DRAFT HAS BEEN IN EFFECT SINCE 1940, EXCEPT FOR 17 MONTHS IN 1947-1948.

THERE HAS BEEN SOME CRITICISM OF PRESENT POLICIES DEALING WITH DISQUALIFICATION AND DEFERRAL OF DRAFT-ELIGIBLE MEN.

IN THIS CONNECTION, DEFENSE DEPARTMENT WITNESSES SAID 9 OUT OF 10 MEN CONSIDERED QUALIFIED ENTER MILITARY SERVICE BEFORE REACHING THE DRAFT-PROOF AGE OF 26.

MB413PES

A75

NIGHT LEAD NUCLEAR (450)

BY TOM OCHILTREE

GENEVA, JAN. 26 (AP)-THE WESTERN POWERS TODAY OFFERED RUSSIA THE RIGHT TO FILL HALF THE JOBS IN ALL NUCLEAR TEST CONTROL POSTS SET UP ON U. S. AND BRITISH TERRITORY.

IN RETURN THE AMERICAN AND BRITISH DELEGATIONS ASKED FOR THE SAME CONCESSION BY THE SOVIET UNION AND MOSCOW'S ACCEPTANCE OF THE BASIC CONCEPT OF INTERNATIONAL CONTROL. THE PROPOSAL WAS MADE AT THE THREE-POWER CONFERENCE ON SUSPENSION OF NUCLEAR TESTS.

THE WESTERN PROPOSAL MEAN THAT NATIONALS OF ANY COUNTRY SHOULD NOT BE THE WATCHDOGS TO DETERMINE WHETHER THEIR OWN GOVERNMENT HAS VIOLATED A BAN ON TESTS.

THE RUSSIANS WHO HAVE BEEN DEMANDING THAT CONTROL POSTS IN THEIR OWN TERRITORY BE STAFFED BY RUSSIANS, MODIFIED THEIR PROPOSALS SOMEWHAT. THEY SUGGESTED THAT EACH STATION SHOULD HAVE "FOUR OR FIVE FOREIGN CONTROLLERS" RATHER THAN ONE OR TWO AS THEY PREVIOUSLY HAD PROPOSED.

BUT THE WESTERN POWERS SAID THE RUSSIANS STILL HELD BACK ON TRUE INTERNATIONAL CONTROL--A POINT ON WHICH THE AMERICAN AND BRITISH DELEGATIKONS SAY THEY NEVER WILL COMPROMISE.

BRITISH MINISTER OF STATE DAVID ORMSBY-GOREPRESENTED WHAT WAS CALLED "TABLES ILLUSTRATING THE INTERNATIONAL STAFFING OF CONTROL POSTS."

BRITISH DELEGATION SOURCES SAID THE WESTERN PLAN WAS SO IRON CLAD THAT IT WAS DIFFICULT FOR SOVIET DELEGATE SEMYON TSARAPKIN TO REFUTE IT. THE RUSSIAN GAVE THE IMPRESSION OF HAVING HIS MOST UNCOMFORTABLE SESSION THUS FAR IN THE 2 1/2 MONTH CONFERENCE, THE SOURCES SAID.

THEY ADDED THAT IF MOSCOW ULTIMATELY TURNS DOWN THE WESTERN PLAN IT WILL BE DIFFICULT FOR SOVIET REPRESENTATIVES TO DEFEND SUCH ACTION IN TH UNITED NATIONS.

THE CONTROL SYSTEM WOULD WORK THIS WAY IN A TYPICAL POST IN THE UNITED STATES OR BRITAIN: THE STAFF NAMED BY THE TOP ADMINISTRATOR OF TH SYSTEM WOULD CONSIST OF HALF SOVIET CITIZENS AND HALF CITIZENS OF OTHER COUNTRIES SUCH AS SWEDEN, SWITZERLAND OR INDIA.

THE ADMINISTRATOR HIMSELF WOULD BE ELECTED WITH THE UNANIMOUS APPROVA OF THE THREE ATOMIC POWERS.

BUT IF THE RUSSIANS WERE NOT WILLING TO TRUST HIM TO CARRY OUT THIS 50-50 ARRANGEMENT, SPECIFIC INSTRUCTIONS COULD BE ISSUED TO HIM BY THE SEVEN-NATION CONTROL COMMISSION.

BEYOND THAT THE SOVIET GOVERNMENT COULDNAME ITS OWN OBSERVERS AT POSTS IN THE UNITED STATES OR BRITAIN TO SEE THAT ALL DISTURBANCES WERE FAIRLY REPORTED. OTHER RUSSIANS ASSIGNED TO STATIONS IN THE SOVIET UNION WOULD GUARANTEE THAT FOREIGN EMPLOYES WERE NOT TRYING TO FAKE INCIDENTS OR ENGAGE IN SPYIKNG.

THIS IS THE SO-CALLED LAYER CAKE SYSTEM OF ATTACHING OBSERVERS TO WATCH THE INTERNATIONAL OPERATING PERSONNEL.

IN A TYPICAL POST IN THE SOVIET UNION THE COMBINED BRITISH-AMERICAN EMPLOYES WOULD MAKE UP 50 PER CENT OF THE STAFF OF EACH STATION, WITH OTHER FOREIGNERS MAKING UP THE REST.

THE TOP MAN WOULD BE A RUSSIAN IN A STATION IN THE UNITED STATES OR BRITAIN, OR AN AMERICAN OR BRITON IN A POST IN THE SOVIET UNION.

JE737PES

A47

NIGHT LEAD BAGHDAD PACT (330)

BY WATSON SIMS

KARACHI, PAKISTAN, JAN. 26 (AP)--THE MINISTERIAL COUNCIL OF THE BAGHDAD PACT MET HERE TODAY -- WITHOUT IRAQ -- AND THE U.S. ATTITUDE TOWARD THE ALLIANCE CAME UNDER IMMEDIATE CRITICISM.

THE OPENING SESSION BROUGHT INTO THE OPEN SHARP DIFFERENCES AMONG THE DELEGATIONS ATTENDING-- BRITAIN, TURKEY, PAKISTAN, IRAN AND THE UNITED STATES.

THE ABSENCE OF U.S. SECRETARY OF STATE JOHN FOSTER DULLES AND BRITISH FOREIGN SECRETARY SELWYN LLOYD WAS SINGLED OUT AS A CAUSE FOR REGRET BY THE SPOKESMAN FOR THE MOSLEM GROUP. PRIME MINISTER MANOCHEHR EGHBAL OF IRAN SAID "THEIR WISE ADVICE AND COUNSELS COULD HAVE BEEN OF GREAT ADVANTAGE."

EGHBAL ACTED AS CHIEF SPOKESMAN FOR THE MOSLEM DELEGATIONS -- IRAN, TURKEY AND PAKISTAN-- WHO FEEL THE UNITED STATES IS DOWNGRADING THE ALLIANCE.

THE IRANIAN PREMIER COMPLAINED THE PACT HAD FAILED TO ACCOMPLISH ITS MOST IMPORTANT TASKS. HE SAID THE ALLIANCE, SET UP TO COUNTER COMMUNIST EXPANSION, HAS NEITHER SET UP A DEFENSIVE SYSTEM NOR ACHIEVED A PROGRAM OF ECONOMIC DEVELOPMENT. HE EXPRESSED CONCERN THAT TOO MUCH OF THE PACT'S ACTIVITIES SO FAR HAVE BEEN THEORETICAL.

LOY HENDERSON, UNDERSECRETARY OF STATE AND LEADER OF THE U.S. DELEGATION, EMPHASIZED IN HIS OPENING SPEECH THAT THE TARGET MUST REMAIN COMMUNIST EXPANSION.

THE AMERICANS INSIST PRIVATELY THE UNITED STATES IS NOT DOWN-GRADING THE PACT. THE MOSLEM NATIONS WANT THE UNITED STATES TO PLEDGE SEPARATE BILATERAL TREATIES OF AID AGAINST AGGRESSION "FROM ANY QUARTER."

U.S. OFFICIALS FEAR SUCH A PLEDGE WOULD COMPLICATE "INTER-AREA" PROBLEMS, SUCH AS INDIA'S QUARRELS WITH PAKISTAN, AND DECLINE TO GO BEYOND A SPECIFIC PLEDGE AGAINST COMMUNIST AGGRESSION.

THE NEW REVOLUTIONARY REGIME IN IRAQ, WHICH OVERTHREW KING FAISAL'S PRO-WESTERN GOVERNMENT LAST JULY, HAS NOT RENOUNCED MEMBERSHIP BUT HAS BOYCOTTED ALL PACT SESSIONS SINCE TAKING OVER.

PRESIDENT EISENHOWER SENT A MESSAGE TO TODAY'S OPENING SESSION DECLARING THE ALLIANCE WAS MAKING AN IMPORTANT CONTRIBUTION TO WORLD PEACE AND SAID THE UNITED STATES WAS GLAD TO PARTICIPATE.

HENDERSON TOLD THE SESSION THE UNITED STATES WAS CONCERNED WITH THE ECONOMIC PROGRAM WITHIN THE PACT AS WELL AS THE MILITARY.

"TRADE AND AID GO HAND IN HAND," HE SAID. "THE OBJECTIVE OF SOVIET TRADE AS MR. KHRUSHCHEV (SOVIET PREMIER) HIMSELF TOLD US IS SOLELY THE ACHIEVEMENT OF POLITICAL AIMS."

RK529PES

A117 (260)

AP FOREIGN SERVICE ADVANCE FOR MONDAY PMS

BY RICHARD R. KASISCHKE

(ADVANCE) VIENNA, JAN 26 (AP)-MOSCOW HAS VETOED AN ATTEMPT BY BULGARIA, ONE OF ITS EUROPEAN SATELLITES, TO BUILD COMMUNES ON THE CHINESE PATTERN.

BOTH SOVIET PREMIER NIKITA KHRUSHCHEV AND HIS DEPUTY ANASTAS I. MIKOYAN HAVE CRITICIZED THE COMMUNES. IN RECENT MONTHS SOME BULGARIAN COMMUNIST PARTY WAS "ESTABLISHING ITSELF AS THE MOST IDEOLOGICALLY ADVANCED OF THE EAST EUROPEAN PARTIES."

THEN A WARNING WHISTLE SOUNDED.

THE BULGARIANS FELL SILENT ABOUT THEIR FORCED MARCH "TOWARD PURE COMMUNISM."

NOW THEY'VE BACKTRACKED. THE TASK FELL TO BULGARIAN DEPUTY PREMIER VULKO CHERVENKOV--AN OLD STANLINIST. HE HAS HAD HIS UPS AND DOWNS IN THE KHRUSHCHEV ERA BUT MOSCOW STILL KEEPS HIM NEAR THE TOP IN SOFIA FOR SUCH JOBS AS PULLING THE REINS ON OTHER PARTY LEADERS.

WRITING IN THE OFFICIAL SOFIA PARTY NEWSPAPER, RABOTNICHESKO DELO, CHERVENKOV WARNED THAT FORMATION OF THESE VAST QUASIMILITARY COLLECTIVES "DOES NOT MEAN THAT THE TRANSITION TO COMMUNISM HAS ALREADY BEGUN IN CHINA."

HE ADDED:

"SUCH A NOTION IS ENTIRELY WRONG....ONLY IN THE FUTURE, UNDER HIGHLY DEVELOPED NATIONWIDE INDUSTRIALIZATION AND ABUNDANCE OF GOODS, WILL COMMUNES BECOME A FORM OF COMMUNISM."

CHERVENKOV ALSO REFERRED TO A DISPUTE WITHIN THE CHINESE PARTY. HE WROTE THAT THE CHINESE "CENTRAL COMMITTEE IS DECISIVELY OPPOSING THE HARMFUL CONFUSED MENTALITY OF CERTAIN PEOPLE WHO ASSUME THAT WITH THE ESTABLISHMENT OF COMMUNES IT WILL BE POSSIBLE TO CARRY ON WITHOUT PARTY LEADERSHIP, AND THAT IT WILL BE POSSIBLE TO MERGE THE PARTY AND THE COMMUNES."

END ADVANCE FOR MONDAY PMS--MOVED JAN 24

KM1008AES

A9

HONG KONG, JAN. 26 (AP)-SPOKESMAN FOR 116 CHINESE FISHERMAN WHO ESCAPED FROM A PEOPLE'S COMMUNE IN KWANGTUNG PROVINCE EARLIER THIS MONTH SAID TODAY THEY FLED COMMUNISM BECAUSE THEY WERE UNDERPAID AND OVERWORKED.

THEY TOLD A NEWS CONFERENCE THEY WORKED AT LEAST 18 HOURS A DAY AND HAD BEEN PAID SIX JMP (CQ) ($2.30) PER MONTH SINCE THE COMMUNE WAS ORGANIZED IN SEPTEMBER.

THEIR ENTIRE CATCH, THEY SAID, WENT TO THE GOVERNMENT, WHEREAS BEFORE THE COMMUNES THEY WERE ALLOWED TO KEEP 30 PER CENT. THE GROUP ESCAPED IN SIX BOATS OVER A TWO-WEEK PERIOD.

EJ252PES

B64 (Q) (180)

LONDON, JAN. 26 (AP)-A FOREIGN OFFICE SPOKESMAN EMPHASIZED TODAY THAT A NEW BRITISH TRADE AGREEMENT WITH EAST GERMANY IN NO WAY INVOLVES RECOGNITION OF THE EAST GERMAN COMMUNIST REGIME.

THE AGREEMENT, BETWEEN THE FEDERATION OF BRITISH INDUSTRIES AND THE EAST GERMAN CHAMBER OF FOREIGN TRADE, PROVIDES FOR AN EXCHANGE OF 7 MILLION POUNDS ($19,600,000) WORTH OF RAW MATERIALS AND MANUFACTURED GOODS.

30.24- 5959

THE FOREIGN OFFICE ANNOUNCED TODAY IT WAS KEPT FULLY INFORMED OF THE NEGOTIATIONS BETWEEN THE TWO PRINCIPALS. IT WAS ALSO ANNOUNCED THAT BRITAIN INFORMED WEST GERMANY IN ADVANCE OF THE AGREEMENT AND THAT NO OBJECTION CAME FROM BONN.

THE AGREEMENT DOES NOT INVOLVE CONTACTS BETWEEN THE BRITISH AND EAST GERMAN GOVERNMENTS. SIMILAR TRADE AGREEMENTS WITH EAST GERMANY HAVE BEEN NEGOTIATED BY FRANCE, BELGIUM AND THE NETHERLANDS.

BRITAIN WILL EXPORT TO EAST GERMANY TEXTILES, PLASTICS, CHEMICALS, RADIO AND TELEVISION EQUIPMENT AND INDUSTRIAL PLANT MACHINERY. EAST GERMANY, IN RETURN, WILL EXPORT TO BRITAIN CHEMICALS, FERTILIZERS, PARAFFIN WAX, CARPETS, FURNITURE, POTTERY, MUSICAL INSTRUMENTS AND SOME SCIENTIFIC INSTRUMENTS, SUCH AS OPTICAL LENSES.

RP1116AES

D26 (550)
ADVANCE FOR PMS OF TUESDAY, JAN. 27 -- FROM AP BUSINESS NEWS
BY WILLIAM L. RYAN

(ADVANCE) NEW YORK, JAN. 27 (AP)-AMERICAN SHIP OWNERS ARE BUILDING UP STEAM BEHIND A CAMPAIGN TO FORBID SHIPPING UNITED STATES FOREIGN AID CARGOES IN ANY VESSELS WHICH TRADE WITH RED CHINA. THE ARGUMENT IS THAT U.S. SHIPPING POLICY ACTUALLY AIDS THE COMMUNIST CHINESE ECONOMY.

THE CAMPAIGN APPEARS TO HAVE EMERGED AS A MEASURE OF RETALIATION AGAINST BRITISH AND NORWEGIAN EFFORTS AIMED AT FORCING AMERICAN OWNED SHIPPING TO ABANDON LIBERIAN AND PANAMANIAN FLAGS OF CONVENIENCE. MANY AMERICAN OWNED SHIPS ARE REGISTERED UNDER THOSE TWO FLAGS TO TAKE ADVANTAGE OF TAX BENEFITS AND LOWER OPERATING COSTS.

THE TWIN QUARRELS TIE IN WITH DEMANDS OF SEAMEN'S UNIONS FOR ABOLITION OF FLAGS OF CONVENIENCE.

ALL THIS IS BUILDING UP INTO A MAJOR POLICY PROBLEM FOR CONGRESS. QUESTIONS OF NATIONAL DEFENSE ARE INVOLVED.

THE U.S. GOVERNMENT PAYS SUBSIDIES AMOUNTING TO 130 MILLION DOLLARS ANNUALLY TO 15 SUBSIDIZED LINES UNDER AMERICAN REGISTRY. IN GOOD TIMES MUCH OF THIS SUBSIDY CAN BE RETURNED TO THE GOVERNMENT. THE SUBSIDY, PLUS A LEGAL GUARANTEE OF AT LEAST 50 PER CENT OF FOREIGN AID CARGOES, ARE MEASURES DESIGNED TO KEEP AMERICAN FLAG SHIPPING IN COMPETITION WITH FOREIGN MERCHANT MARINE FLEETS.

BUT AMERICAN OWNERS NOW ARGUE THAT U.S. POLICY AT PRESENT DIRECTLY AIDS THE COMMUNIST CHINESE; BY STATE DEPARTMENT RULING, AMERICAN-OWNED SHIPS, INCLUDING THOSE UNDER LIBERIAN AND PANAMANIAN REGISTRY, HAVE BEEN EXCLUDED FROM TRADE WITH RED CHINA EVER SINCE THE KOREAN WAR.

FOREIGN SHIPS ARE UNDER NO SUCH PROHIBITION. IN PRACTICE, ABOUT HALF U.S. FOREIGN AID CARGOES ARE CARRIED BY FOREIGN FLAG SHIPS, MOSTLY BRITISH AND NORWEGIAN. FOREIGN LINES MAKE SIGNIFICANT PROFITS FROM THIS ARRANGEMENT. THESE PROFITS ARE USED TO OPERATE SHIPS IN THE CHINA TRADE. EVEN THE SHIP WHICH CARRIES A U.S. FOREIGN AID CARGO TO THE BENEFICIARY NATION CAN BE AND OFTEN IS CHARTERED THEREAFTER TO RED CHINA.

THE UNITED STATES HAS NO CONTROL OVER THIS. IN THE PAST YEAR, AMERICAN EXPERTS ESTIMATE, MORE THAN 100 BRITISH AND NORWEGIAN SHIPS WERE CHARTERED TO RED CHINA, WHICH OTHERWISE WOULD HAVE GREAT DIFFICULTY IN OBTAINING SHIPPING.

WHAT RED CHINA DOES WITH THE SHIPPING IS A BIT OF A MYSTERY. SHE HAS NO SIGNIFICANT DEEP SEA TRADE. BUT OBVIOUSLY SHIPS SO CHARTERED ARE PUT TO USE. OBVIOUSLY, ALSO, SAY THE SHIPPING MEN, THE UNITED STATES THUS HELPS SUPPORT FLEETS UPON WHICH ANY TRADE RED CHINA HAS MUST DEPEND.

THE QUARREL OVER FLAGS OF CONVENIENCE, MEANWHILE, INVOLVES THE FUTURE OF DIRECT AMERICAN CONTROL OVER A SIZABLE MERCHANT FLEET, IMPORTANT TO U.S. DEFENSE. BRITAIN AND NORWAY HAVE BEEN ATTEMPTING, UNSUCCESSFULLY THUS FAR, TO HAVE INTERNATIONAL LAW INTERPRETED SO THAT REGISTRY UNDER FLAGS LIKE THE PANAMANIAN AND LIBERIAN WOULD BE OUTLAWED FOR LACK OF A "GENUINE LINK."

ALMOST HALF THE TONNAGE UNDER PANAMANIAN AND LIBERIAN FLAGS IS AMERICAN OWNED. CONCERNED BY THESE GROWING NAVIES UNDER FLAGS OF NATIONS NOT GENUINELY MARITIME, BRITISH AND NORWEGIANS HAVE BEEN AGITATING TO FORCE AMERICAN-OWNED SHIPS TO ABANDON SUCH REGISTRY OR PLACE THEIR SHIPS UNDER SO-CALLED TRADITIONAL FLAGS SUCH AS THE BRITISH AND NORWEGIAN.

PRESIDENT EISENHOWER'S BUDGET MESSAGE HAS AROUSED UNEASINESS OVER THE FUTURE OF THE U.S. SUBSIDY PROGRAM. ABOUT A THIRD OF THE MERCHANT FLEET UNDER THE U.S. FLAG GETS DIRECT SUBSIDY TO KEEP IT IN COMPETITION. ANOTHER THIRD PROFITS FROM THE 50-50-SPLIT ON FOREIGN AID CARGOES. THE REMAINDER IS IN A PROTECTED AREA IN WHICH THERE IS NO FOREIGN COMPETITION.

END ADVANCE FOR PMS OF TUESDAY,JAN. 27 -- FROM AP BUSINESS
SENT MONDAY, JAN. 26

EJ114AES

A8

ADVANCE FOR 6:30 P.M. EST

(ADVANCE) PARIS, JAN. 26 (AP)-ADM. SIR ALEXANDER BINGLEY TODAY WAS NAMED COMMANDER IN CHIEF OF ALLIED FORCES IN THE MEDITERRANEAN BY GEN. LAURIS NORSTAD, SUPREME ALLIED COMMANDER IN EUROPE.

HE WILL SUCCEED ADM. SIR CHARLES LAMBE, WHO BECOMES FIRST SEA LORD IN THE BRITISH ADMIRALTY. THE TURNOVER OF THE MEDITERRANEAN COMMAND WILL TAKE PLACE EARLY IN FEBRUARY.

END ADVANCE FOR 6:30 P.M. EST

EJ251PES

A33

NIGHT LEAD ISRAELI (160)

JERUSALEM, JAN. 26 (AP)-JORDAN GUARDS SHOT AND KILLED AN ISRAELI SOLDIER TODAY. IT WAS THE FIRST SERIOUS JORDAN-ISRAELI BORDER INCIDENT IN MONTHS AND UNITED NATIONS TRUCE TEAMS BEGAN IMMEDIATE INVESTIGATION.

THE ISRAELI VERSON OF THE INCIDENT SAID FIRE WAS OPENED FROM A JORDANIAN POSITION IN THE ARAB SECTOR OF JERUSALEM NEAR THE MANDELBAUM GATE. A SPOKESMAN SAID THE DEAD SOLDIER'S COMRADES HAD TO EXTRICATE HIS BODY UNDER FIRE.

A JORDAN MILITARY SPOKESMAN SAID THE SOLDIER WAS SHOT WHILE TRYING TO CROSS NO MAN'S LAND NEAR THE GATE, OFFICIAL CHECKPOST BETWEEN THE ARMISTICE LINES DIVIDING THE CITY, AND BECAUSE HE IGNORED A WARNING TO WITHDRAW. THE SPOKESMAN SAID THE ISRAELIS USED SMOKEBOMBS TO ENABLE THEM TO REACH THE BODY, AND ALSO FIRED ON JORDAN POSITIONS, BUT WITHOUT HITTING ANYONE.

JORDAN COMPLAINED TO THE U.N. TRUCE SUPERVISION ORGANIZATION.

THE SHOOTING OCCURRED ONLY A SHORT TIME AFTER ISRAEL INSTRUCTED ITS U.N. DELEGATE, ABBA EBAN, TO REQUEST A SPECIAL SECURITY COUNCIL MEETING TO DISCUSS "THE SERIES OF SYRIAN ACTS OF AGGRESSION." THIS STEMMED FROM THE FATAL SHOOTING OF AN ISRAELI SHEPHERD ON THE SYRIAN BORDER LAST FRIDAY, AND OTHER PREVIOUS INCIDENTS.

RK442PES

A71WX (180)

ADVANCE FOR NOON EST TODAY

MURPHY

(ADVANCE) DETROIT, JAN. 26 (AP)-DEPUTY UNDER SECRETARY OF STATE ROBERT MURPHY SAID TODAY RUSSIA'S UNEASINESS OVER CONDITIONS IN SOVIET-RULED EAST GERMANY ACCOUNT PARTLY FOR THE KREMLIN'S READINESS TO TALK OVER THE GERMAN PROBLEM.

"THE U.S.S.R. HAS FAILED UTTERLY TO WIN OVER THE EAST GERMAN POPULATION," HE SAID, "AND MOSCOW LEADERSHIP IS CONCERNED LEST A WAVE OF PUBLIC AND INTERNATIONAL SENTIMENT SHOULD REUNITE THE PEOPLE."

MURPHY REVIEWED GERMAN POLICY IN AN ADDRESS PREPARED FOR THE ECONOMIC CLUB OF DETROIT.

HE ALSO CAUTIONED BUSINESS LEADERS AGAINST BELIEVING THAT THE VISIT OF DEPUTY SOVIET PREMIER ANASTAS I. MIKOYAN WOULD SUDDENLY OPEN THE WAY TO LARGE SCALE RUSSIAN-AMERICAN TRADE.

SOME INCREASE IN SOVIET PURCHASES OF EQUIPMENT IS POSSIBLE, IN SUCH FIELDS AS CHEMICALS, CONSTRUCTION, MINING MACHINERY AND TIRE MANUFACTURES--IF SUCH ITEMS ARE NOT ON THE GOVERNMENT RESTRICTED LIST.

BUT MURPHY SAID NO SIGNIFICANT SOVIET BUYING OF AMERICAN CONSUMER GOODS IS LIKELY. FURTHER, HE SAID, A BIG PERMANENT INCREASE IN SOVIET-AMERICAN TRADE IS UNLIKELY BECAUSE RUSSIA HAS A LIMITED AMOUNT OF DOLLARS TO PAY.

END ADVANCE FOR NOON EST TODAY

EG&WE720AES NM

A161

(160)

PANMUNJOM, KOREA, TUESDAY, JAN. 27 (AP)-A NORTH KOREAN NEWSMAN WALKED ACROSS NEUTRAL TERRITORY TODAY DURING A MEETING OF THE MILITARY ARMISTICE COMMISSION AND DEFECTED TO SOUTH KOREA.

THE U.S. 8TH ARMY SAID THE DEFECTOR WAS LEE DONG JOON, 30, A REPORTER-TRANSLATOR FOR THE SOVIET COMMUNIST PARTY NEWSPAPER PRAVDA.

LEE ~~GRATED~~ was granted POLITICAL ASYLUM AND TAKEN TO SEOUL FOR QUESTIONING BY INTELLIGENCE OFFICERS. NEWSMEN WERE NOT ALLOWED TO INTERVIEW HIM, AND THERE WAS NO IMMEDIATE EXPLANATION OF HIS DEFECTION.

IT WAS THE FIRST DEFECTION BY A COMMUNIST NEWSMAN IN KOREA, AS FAR AS SOUTH KOREAN AND WESTERN NEWSMEN COULD RECALL.

TO ESCAPE FROM NORTH KOREA, LEE CROSSED THE JOINT SECURITY AREA WHERE ARMISTICE COMMISSION MEETINGS ARE HELD IN THE DEMILITARIZED ZONE BETWEEN NORTH AND SOUTH KOREA.

IRONICALLY, AS HE WAS WALKING, THE COMMUNISTS AT THE COMMISSION MEETING WERE DEMANDING THE RETURN OF ALMOST TWO MILLION NORTH KOREANS WHO FLED SOUTH DURING THE KOREAN WAR TO ESCAPE RED RULE.

RA149AES

A124

(150)

LONDON, JAN. 26 (AP)-SUPPLY MINISTER AUBREY JONES TODAY DISMISSED AS "LUDICROUSLY EXAGGERATED" REPORTS THAT BRITAIN HAD A GERM WEAPON SO POWERFUL THAT SEVEN OR EIGHT OUNCES COULD WIPE OUT EVERYONE IN THE WORLD.

JONES WAS ASKED IN THE HOUSE OF COMMONS ABOUT STATEMENTS ATTRIBUTED TO SIR ROBERT WATSON-WATT, THE INVENTOR OF RADAR, AND DR. BROCK CHISHOLM, FORMER DIRECTOR GENERAL OF THE WORLD HEALTH ORGANIZATION.

THEY HAD BEEN QUOTED AS SAYING IN CANADA THAT BRITISH SCIENTISTS HAD DISCOVERED A SUBSTANCE SO DEADLY THAT A FEW SPECKS COULD KILL MILLIONS OF PEOPLE.

THE SUBSTANCE THEY REFERRED TO IS BOTULINOUS TOXIN, AN INFINITELY SMALL SAUSAGE-SHAPED GERM. IT IS THE MOST POTENT OF ALL GASTRO-INTESTINAL POISONS AND IS A SECOND COUSIN TO THE MICROBE THAT CAUSES GANGRENE AND TETANUS.

"BOTULINUS TOXIN, REFERRED TO IN RECENT NEWSPAPER STATEMENTS," SAID JONES, "HAS BEEN WELL KNOWN FOR MANY YEARS AND THE THREAT POSED IS GREATLY EXAGGERATED." X X X

JONES SAID IT WAS POSSIBLE THAT OTHER BACTERIA OR VIRUSES SPELLED GREATER DANGER THAN DID BOTULINUS TOXIN.

W1049PES

A100

(140)

BY ANNE MARIE SNELLMAN

HELSINKI, JAN. 26 (AP)-PRESIDENT URHO KEKKONEN SAYS SOVIET PREMIER KHRUSHCHEV TOLD HIM "I ONLY WANT ONE THING, GOOD AND FRIENDLY RELATIONS WITH FINLAND."

KEKKONEN RELAYED KHRUSHCHEV'S REMARK IN A RADIO-TV SPEECH LAST NIGHT AFTER HIS RETURN FROM TALKS WITH THE SOVIET LEADER IN LENINGRAD.

THE FINNISH PRESIDENT SAID THE RUSSIANS HAD "ASKED NOTHING WHICH COULD HARM OUR GOOD RELATIONS WITH THE WEST AND OUR TIES WITH THE OTHER NORDIC COUNTRIES...."

FINLAND, HE ADDED, WAS NOT ASKED TO GIVE UP ANYTHING WHICH IT FELT OF NATIONAL AND IDEOLOGICAL IMPORTANCE.

KEKKONEN'S SURPRISE MEETING WITH KHRUSHCHEV LAST WEEK QUICKLY DEVELOPED INTO TALKS ON RESUMING TRADE BETWEEN RUSSIA AND FINLAND. THE FINN HAD SAID HE WAS GOING TO LENINGRAD ON A CULTURAL VISIT. THEN KHRUSHCHEV TURNED UP, KEKKONEN QUICKLY SUMMONED TRADE MINISTER ANTHI KARJALAINEN, AND THE NEGOTIATIONS GOT UNDER WAY.

KARJALAINEN FLEW TO THE NORDIC COUNCIL MEETING IN OSLO OVER THE WEEKEND BU IS EXPECTED TO RETURN TO THE SOVIET UNION FOR A RESUMPTION OF THE TRADE TALKS.

MJ916AES

B52WX Q

(150) SMITH

WASHINGTON, JAN. 26 (AP)-PRESIDENT EISENHOWER TODAY ACCEPTED THE RESIGNATION OF DAVID S. SMITH AS ASSISTANT SECRETARY OF THE AIR FORCE, EFFECTIVE NEXT SATURDAY.

IN HIS LETTER OF RESIGNATION, SMITH GAVE NO REASON FOR QUITTING THE POST HE HAS HELD NEARLY FIVE YEARS. HE PRAISED EISENHOWER'S "GREAT LEADERSHIP" AS A CONTINUING INSPIRATION AND SAID: "I KNOW THAT THE ACCOMPLISHMENTS OF GOVERNMENT AND OF THE MILITARY UNDER YOUR GUIDANCE WILL LEAD TO A GREATER NATION AND A LASTING PEACE."

IN A REPLY, EISENHOWER SAID HE WAS ACCEPTING THE RESIGNATION WITH REGRET, AND THANKED SMITH FOR "THE FINE SERVICE YOU HAVE RENDERED TO OUR COUNTRY." EISENHOWER SAID HE IS AWARE THAT SMITH MADE A VALUED CONTRIBUTION TO AIR FORCE RESERVE ACTIVITIES.

CZ610PES

END of Jan. 26 1959